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No. 91-1066

Supreme Court, U.S.

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IN THE
Supreme Court of the United States

OCTOBER TERM, 1991

**YAMAHA CORPORATION OF AMERICA, and
YAMAHA ELECTRONICS CORPORATION, U.S.A.,**

Petitioners,

vs.

**ABC INTERNATIONAL TRADERS, INC.,
FARHAD LARIAN, and ISAAC LARIAN,**

Respondents.

PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

**BRIEF IN OPPOSITION TO
PETITION FOR WRIT OF CERTIORARI**

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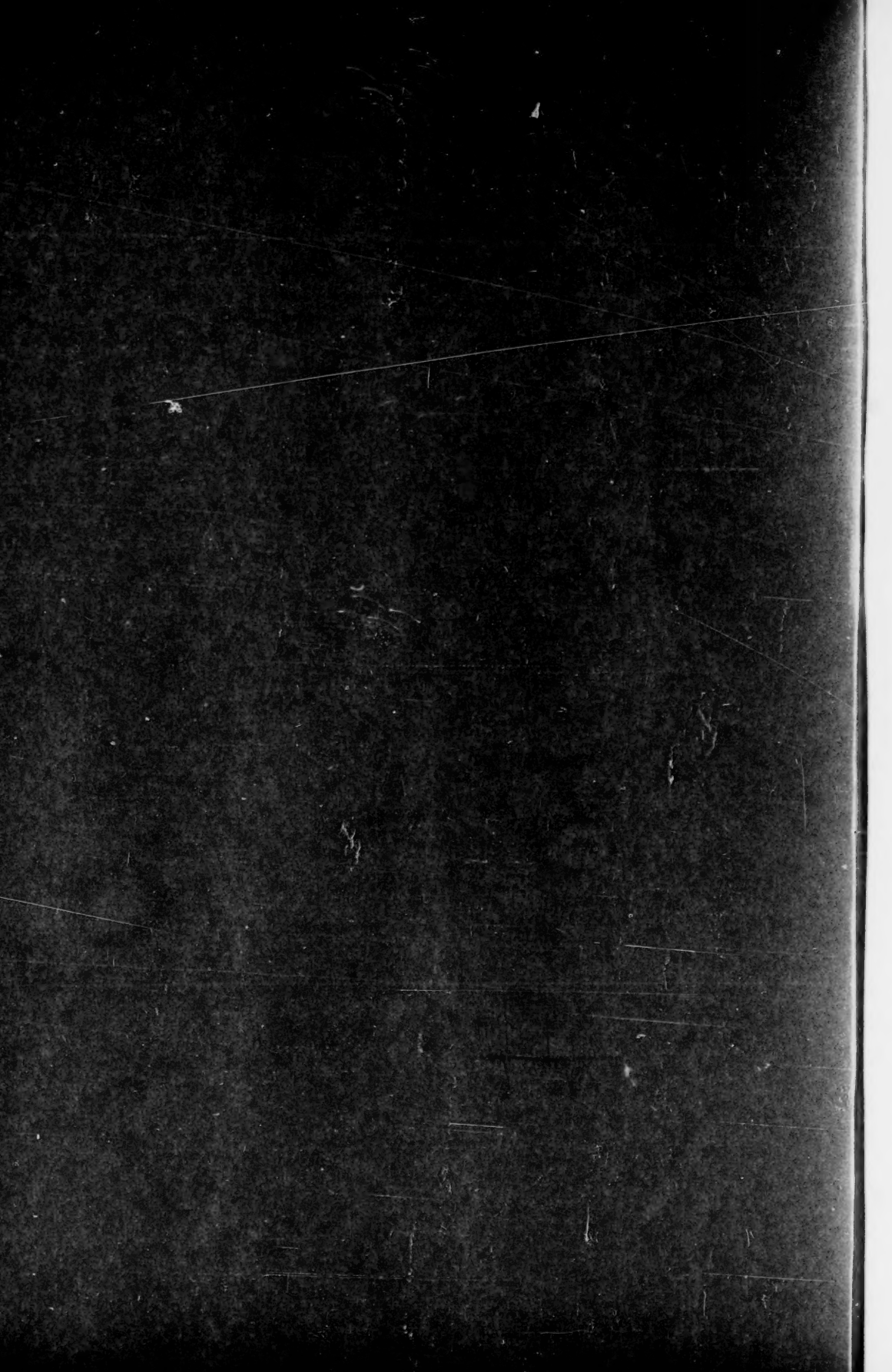
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QUESTION PRESENTED FOR REVIEW

Whether a wholly owned subsidiary can, by the artifice of an assignment of its parent's trademarks, create independent trademark rights under the Tariff Act §526 or Trademark Act §32 or §42, which can be asserted against an independent importer of genuine goods made by the parent, notwithstanding U.S. Customs Regulation 133.21(c)(2), 19 C.F.R. §133.21(c)(2), which denies import restrictions for such goods; U.S. Custom's contrary interpretation of Tariff Act §526, 19 U.S.C. §1526 for over fifty years; and this Court's unanimous approval of that interpretation in *K-Mart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988).

PARTIES TO THE PROCEEDING

ABC International Traders, Inc.

Farhad Larian

Isaac Larian

ABC International Traders, Inc. has no parent or subsidiary company.

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I. STATEMENT OF THE CASE

A. RELEVANT FACTS ESTABLISHED BY THE DISTRICT COURT

The relevant facts established by the District Court are that Yamaha Corporation of America (YCA), is a California corporation wholly owned by Yamaha-Japan.¹ Yamaha-Japan manufactures various consumer electronic goods to which it affixes its "Yamaha" trademarks. The goods are made in Japan and imported into the United States through YCA, Yamaha-Japan's "exclusive" U.S. distributor. ABC International Traders, Farhad Larian and Isaac Larian (ABC), like YCA, obtain genuine "Yamaha" brand goods made by Yamaha-Japan and independently import those goods into the United States. YCA's objections to ABC's independent importation precipitated this action. Yamaha Electronics Corporation (YEC) is a wholly-owned subsidiary of YCA.

Until November 19, 1986, Yamaha-Japan was the registered owner of the "Yamaha" trademarks in issue.² On

¹ Yamaha-Japan, which is not a party to this action, is incorporated in Japan.

² Under U.S. Trademark law, Yamaha-Japan has never had a legal right to assert a trademark infringement claim against ABC in its own name since the goods in question were made by Yamaha-Japan. Since YCA did not own the marks, it likewise could assert no trademark infringement claim. By assigning title to the "Yamaha" trademarks marks to its wholly owned subsidiary, Yamaha-Japan, was able to meet the

that date, the trademarks were assigned to YCA and several days later YCA filed this suit against ABC alleging trademark infringement based upon its own "independent goodwill" under the assigned marks.

ABC provides its own warranty and support services for various brands of goods including the "Yamaha" brand goods obtained from Yamaha-Japan. The "Yamaha" brand goods distributed by ABC are genuine and not materially different from the genuine "Yamaha" brand goods imported and distributed by YCA.

The facts which controlled and were determinative of this case are that YCA, the titleholder of the trademarks, is the wholly-owned subsidiary of Yamaha-Japan, the manufacturer, and that the goods imported by ABC and YCA are genuine "Yamaha" brand goods made by Yamaha-Japan, identical in all material respects.

B. CORRECTIONS TO PETITIONERS' STATEMENT OF RELEVANT FACTS

Petitioners' have made numerous representations of fact which are inconsistent with the findings of the District Court, not the subject of any finding whatsoever, or are simply irrelevant to the issues before this Court. Respondent will comment only on the most misleading statements.

The following representations of fact were not the subject of any findings of the District Court:

technical requirements for its subsidiary to assert a trademark infringement claim against ABC.

a. "The 'Yamaha' products imported and sold by ABC . . . are believed to be diverted from Yamaha-Japan's foreign distribution stream without Yamaha's knowledge or consent" suggesting some misconduct on the part of ABC. However, there was not even a hint, much less any finding of fact, that ABC engaged in anything but a legitimate, lawful business which competed with YCA. Further, Petitioners failed to introduce any evidence that the imported goods were "diverted" or were intended for Yamaha-Japan's foreign distribution stream or that the importation was without Yamaha-Japan's knowledge or tacit consent. The District Court accordingly made no such findings.

b. "The gray market 'Yamaha' products sold by ABC . . . are not intended or designed for sale in the U.S., and are not warranted by Yamaha." The District Court's opinion is simply devoid of any such finding.

c. YCA enjoys "immense goodwill amongst its dealers and the purchasing public." YCA failed to produce any evidence to support this contention before the District Court and consequently, the court made no such findings.

The following representations of fact are inconsistent with the findings of the District Court:

a. "In many instances [the products imported by ABC] are physically different from authorized 'Yamaha' products." This representation contradicts both YCA's prior admissions in its pleadings and the express finding of the District Court that the goods were genuine (W9a, ¶13; W15a-16a)³. Further, the

³ W9a refers to Petitioners' Writ at page 9a.

Ninth Circuit rejected Yamaha's belated attempt to assert that the products imported by ABC were physically different from those imported by YCA and hence not genuine (W3a).

b. "ABC distributes the 'Yamaha' brand products to anyone who can pay for them, mainly unauthorized retail dealers who sell them to unwitting consumers." This representation contradicts the explicit finding of the District Court that the "Yamaha" goods imported by ABC were clearly marked with a statement that they were imported by ABC rather than YCA (W17a-18a); that the services and warranty provided by ABC in connection with the "Yamaha" goods were clearly represented as ABC's own services (W17a); and that there was no evidence of any consumer having been misled by ABC (W16a).

c. "Consumers purchasing gray market 'Yamaha' products often do not realize that the goods they purchased were not designed or intended for sale in the U.S." This representation of fact by Petitioners is inconsistent with the District Court's explicit findings that there was no evidence of any customer dissatisfaction or disappointment (W16a) and that individuals who purchased goods imported by ABC receive "exactly what he or she wants: A genuine product without the Yamaha warranty and other peripheral services" (W18a)

II.

SUMMARY OF ARGUMENT IN OPPOSITION TO WRIT

YCA and YEC petition for this Court's review of the Ninth Circuit's affirmance of the District Court's decision that respondents ABC did not infringe the "Yamaha" trademarks

and did not violate Tariff Act §526, 19 U.S.C. §1526, by the independent importation of genuine "Yamaha" brand goods legitimately obtained from the manufacturer Yamaha-Japan.

The "special and important reasons"⁴ asserted by Petitioners to justify acceptance of the Writ by this Court are threefold. Petitioners first argue that the Ninth Circuit decision violates the Treaty of Friendship, Commerce and Navigation, Apr. 2, 1953, 4 U.S.T. 2063, T.I.A.S. No. 2863, the Paris Convention for the Protection of Industrial Property, July 14, 1967, 21 U.S.T. 1628, T.I.A.S. No. 6293, and this Court's decision in *Sumitomo Shoji America, Inc. v. Avagliano*, 457 U.S. 176 (1982). However, the Friendship Treaty and the Paris Convention apply only to foreign companies doing business in the United States. Both YCA and YEC are domestic, not foreign, corporations. Consequently, neither YCA nor YEC have any standing to assert rights under those treaties.

Further, Yamaha-Japan, a foreign corporation to which those treaties apply, is not a party to this action. Accordingly, Yamaha-Japan's rights under those treaties cannot be adjudicated by this Court in any event.

Petitioners argue that the Ninth Circuit decision discriminates against YCA because it was based solely on the fact that YCA was owned by a foreign corporation, Yamaha-Japan. Petitioners' assertion is misplaced. The fundamental basis of the District Court and Ninth Circuit decisions was that YCA, as a wholly owned subsidiary, lacked independence from its parent for purposes of the Trademark Act, 15 U.S.C. §§1114, 1124 and 1127, and the Tariff Act, not that the parent

⁴ Sup. Ct. Rule 10

corporation was foreign. Consequently, those decisions would have been the same whether Yamaha-Japan had been a domestic or foreign corporation. As such, there is simply no issue of "discrimination" because Yamaha-Japan is a foreign corporation.

The second ground for review urged by petitioners is that there are conflicts between the decision of the District Court, affirmed by the Ninth Circuit, and decisions of the Second, D.C. and Federal Circuits. No such conflict exists. All of the relevant cases consistently hold that independent importation does not violate either the Trademark Act or the Tariff Act where, as here, the U.S. distributor is the wholly owned subsidiary of the manufacturer and the goods imported are genuine goods made by the parent-manufacturer. Accordingly, the decisions in this case do not conflict with the decisions of any other circuit.

Finally, petitioners invite this Court to decide issues not addressed in *K-Mart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988), so as to "conclusively straighten out the gray market morass." However, whatever "morass" might exist in the gray market area does not arise from the facts of this case. This Court in *K-Mart* unanimously decided, and the circuit courts have uniformly held, that no trademark infringement occurs and no Tariff Act cause of action arises against independent importers of genuine goods where the U.S. trademark owner is the wholly-owned subsidiary of the manufacturer of those genuine goods. Consequently, to use this case as a springboard to address other issues as to which uncertainty might exist is nothing more than an invitation for this Court to render an impermissible advisory opinion.

ABC submits that the Writ should therefore be denied because there are no "special or important reasons" requiring this Court's review. Indeed, the facts of this case are indistinguishable from those in *NEC Elecs. v. Cal Circuit Abco*, 810 F.2d 1506 (9th Cir. 1987), as to which this Court already denied certiorari, 484 U.S. 851 (1987).

III.

ARGUMENT

A. THE FRIENDSHIP TREATY AND THE PARIS CONVENTION HAVE NO APPLICATION TO THIS CASE.

1. PETITIONERS, AS DOMESTIC CORPORATIONS, HAVE NO STANDING TO ASSERT RIGHTS UNDER THE FRIENDSHIP TREATY OR THE PARIS CONVENTION.

YCA and YEC are both U.S. corporations. The Friendship Treaty applies to foreign not U.S. corporations. Hence, neither YCA nor YEC have any standing to assert rights under the Friendship Treaty⁵. As this Court stated in *Sumitomo*

⁵Petitioners cannot, relying on the fact that YCA is the wholly owned subsidiary of Yamaha-Japan, claim rights given only to foreign corporations under the Friendship Treaty or the Paris Convention and then inconsistently assert YCA's independence from Yamaha-Japan for purposes of justifying a trademark infringement action created through the artifice of an

Shoji America, Inc. v. Avagliano, 457 U.S. 176, 188 (1981), the purpose of the Friendship Treaty is ". . . to assure that corporations of one Treaty party have the right to conduct business within the territory of the other party without suffering discrimination as an alien entity". This purpose, directed solely to foreign companies like Yamaha-Japan, is fully met by allowing foreign individuals and companies to form locally incorporated subsidiaries. The Paris Convention likewise applies only to nationals of a foreign corporation not to U.S. corporations like YCA or YEC. Consequently, once Yamaha-Japan was permitted to incorporate YCA and YEC under U.S. law, the purpose of the Friendship Treaty and the Paris Convention were fully met and neither treaty has any further application to YCA or YEC and neither can assert or claim any rights under those treaties.

Whatever remaining rights Yamaha-Japan might have under the Friendship Treaty or the Paris Convention are not before this Court since Yamaha-Japan is not a party.

**2. THE NINTH CIRCUIT'S DECISION
DOES NOT DISCRIMINATE
BECAUSE YCA'S PARENT IS A
FOREIGN CORPORATION.**

The basis of YCA's "discrimination" accusation is that YCA was denied rights under the Trademark and Tariff Acts solely because YCA is wholly-owned by a foreign corporation, Yamaha-Japan. YCA's position is simply unfounded. The fundamental basis of the decision of both the District Court and the Ninth Circuit was that for purposes of

assignment of its parent's trademarks.

asserting independent rights under a trademark, a parent and its wholly-owned subsidiary were legally incapable of being independent from each other, not that the parent was a foreign rather than a domestic corporation.

The flaw in YCA's argument is further exposed by a recognition that Yamaha-Japan has never had even a colorable right to assert a trademark infringement action against ABC's independent importation of genuine goods. Until Yamaha-Japan transferred its trademarks to YCA, YCA likewise had no right to assert a trademark infringement action against ABC. Obviously, YCA objected to the competition in genuine "Yamaha" brand goods provided by ABC but could do nothing to prevent that competition so long as Yamaha-Japan owned the trademarks. To circumvent the legal obstacles raised by U.S. trademark law, Yamaha-Japan assigned title to its trademarks to its wholly-owned subsidiary YCA. YCA, claiming goodwill in the "Yamaha" marks independent of Yamaha-Japan, then immediately sued ABC for trademark infringement.

YCA's claim to independence from Yamaha-Japan entitling it to assert trademark infringement actions against independent importers of genuine goods made by Yamaha-Japan must be rejected. The reality is that there is always and inevitably a unity of interest and purpose between a wholly owned subsidiary and its parent. *Copperweld Corp. v. Independence Tube Corp.*, 467 U.S. 752, 770-75 (1984). The fact that the parent may keep only a loose rein over the operations of the subsidiary is immaterial since the parent may assert full control at any moment if the subsidiary fails to act in the parent's best interest. Accordingly, it would be illogical to recognize a wholly owned subsidiary as a separate independent entity entitled to independent rights under the Trademark Act as

against genuine goods produced by the parent. *NEC Elecs. v. Cal Circuit Abco*, 810 F.2d 1506 (9th Cir. 1987), *cert. denied*, 484 U.S. 851 (1987). *See also*, the concurring opinion of Justice Brennan in *K-Mart Corp. v. Cartier, Inc.*, 486 U.S. 281, 298-99 (1988).

Furthermore, YCA's argument of independent goodwill flies in the face of the long-established public policy that courts will not recognize the corporate form where that form is used as the instrumentality to circumvent the substantive requirement of a statute.⁶ Here, but for the artifice of YCA's separate corporate form, no Trademark or Tariff Act cause of action would exist because the goods do not "copy" or "simulate." Public policy therefore precludes reliance on "independence" as a means of circumventing the statutory requirement of the Trademark Act that the goods "copy" or "simulate." *See*, 15 U.S.C. §§1114 and 1124.

Both the District Court and the Ninth Circuit, adhering to this established precedents, rejected Yamaha-Japan's attempt to create a trademark infringement action through the artifice of an assignment of its trademarks to its wholly-owned subsidiary. As those courts recognized, if a wholly-owned subsidiary was legally capable of acquiring goodwill independent of its parent merely by the assignment of title to the parent's trademark, the parent, using its surrogate subsidiary as

⁶ *Anderson v. Abbott*, 321 U.S. 349, 362-63 (1944). *See also*, *Copperweld Corp. v. Independence Tube Corp.*, 467 U.S. 752, 770-74 (1984), where this Court held that the artifice of the separate corporate form between a parent and a subsidiary could not be relied upon to satisfy the substantive conspiracy requirement of the Sherman Act.

a vehicle, could use U.S. trademark laws to close American markets to competitors in the distribution of the parent corporation's products. The parent would then be free to conspire with its subsidiary to fix prices, create artificial shortages for the purpose of obtaining excessive prices and engage in other acts which would otherwise be violative of antitrust laws while avoiding liability for conspiracy by relying on the lack of "independence" between itself and its subsidiary under *Copperweld Corp. v. Independence Tube Corp.*, 467 U.S. 752, 770-774 (1984). The court in *NEC Elects. v. Cal. Circuit Abco*, 810 F.2d 1506, 1511 (9th Cir. 1987), *cert. denied*, 484 U.S. 851 (1987), rejected the proposition that U.S. Trademark laws could be used for such a purpose, stating that:

If [the parent corporation] chooses to sell abroad at lower prices than those it could obtain for identical product here, that is its business. In doing so, however, it cannot look to United States trademark law to insulate the American market or vitiate the effects of international trade. This country's trademark law does not offer [the parent corporation] a vehicle for establishing a worldwide discriminatory pricing scheme simply through the expedient of setting up an American subsidiary with nominal title to its mark. 810 F.2d at 1511.

Finally, the Ninth Circuit did not, as YCA asserts, deny Yamaha-Japan the right to protect its trademark under either the Trademark or the Tariff Acts. Indeed, Yamaha-Japan or YCA may assert their trademark rights as to non-genuine or counterfeit goods which do not originate with Yamaha-Japan just as any other trademark owner.

Accordingly, the decisions of the District Court and the Ninth Circuit do not discriminate against YCA solely because its parent happens to be incorporated in Japan.

3. **SECTION 526 OF THE TARIFF ACT DOES NOT PROVIDE A CAUSE OF ACTION WHERE THE U.S. SUBSIDIARY IS WHOLLY-OWNED BY THE FOREIGN PARENT.**

The extraordinary protection provided by the Tariff Act has been consistently interpreted by U.S. Customs for more than fifty years not to be available to U.S. subsidiaries of foreign manufacturers against independent importers such as ABC. *K-Mart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988). This interpretation is embodied in the Customs Regulations, 19 C.F.R. §133.21(c)(2), which states that

"(c) The restrictions set forth in paragraphs (a) and (b) of this section do not apply to imported articles when:

. . .

(2) The foreign and domestic trademark or trade name owners are parent and subsidiary companies or are otherwise subject to common ownership or control."⁷

⁷ U.S. Customs, applying this regulation to the Yamaha trademarks, has exempted from its exclusion order for Yamaha brand goods, genuine goods made by Yamaha-Japan

This Court unanimously affirmed the correctness of the interpretation of this provision in *K-Mart* by unanimously upholding this regulation. In upholding the regulation, this Court also affirmed and adopted Customs' interpretation of the Tariff Act itself. As stated in this Court's majority opinion:

"If the agency regulation is not in conflict with the plain language of the statute, a reviewing court must give deference to the agency's interpretation of the statute." (Citations omitted.)
486 U.S. at 817.

Both the District Court and the Ninth Circuit, adhering to this fundamental principal of statutory interpretation, followed the *K-Mart* decision and in so doing properly declined to interpret §526 any differently than did U.S. Customs concluding that the Regulations represented a reasoned and reasonable interpretation of the Tariff Act.⁸

which are independently imported.

⁸ This Court found §526(a) of the Tariff Act, 19 U.S.C. §1526(a), to be ambiguous when applied to a trademark owner who is a wholly-owned United States subsidiary of a foreign parent corporation. *K-Mart* at 1818. Additionally, this Court held §133.21(c)(1) of the Customs Services Regulations, 19 C.F.R. §133.21(c)(1), to be a ". . . permissible construction designed to resolve statutory ambiguities." Therefore, "a Court *must* give deferences to the agency's interpretation . . ." *Id.* [Emphasis added.]

Yamaha's argument that the Ninth Circuit decision denied it a private cause of action under the Tariff Act misses the point. The Ninth Circuit did not hold that no private cause of action could be asserted under the Tariff Act. It held only that YCA could not prosecute such a private cause of action independent of its parent, Yamaha-Japan, because the goods in question are genuine goods originating with Yamaha-Japan. The Ninth Circuit's holding in this regard is identical to this Court's resolution of the same issue in *K-Mart*. In *K-Mart*, this Court held that no Tariff Act action exists with respect to genuine goods where the foreign manufacturer wholly owns the U.S. distributor who is attempting to assert independent trademark rights.⁹

Petitioners argue that issues remain to be decided notwithstanding the *K-Mart* decision. While *K-Mart* may not have reached certain issues regarding a foreign corporation's treaty rights, those issues are not properly before this Court since Yamaha-Japan is not a party and those treaties have no application to domestic corporations such as YCA and YEC. Consequently, to use this case as a vehicle to decide the interplay between the Friendship Treaty, the Paris Convention and the Tariff Act invites this Court to impermissibly render an advisory opinion. This Court should decline to do so.

⁹ The Court's holding was expressed as a validation of U.S. Custom's interpretation of the Tariff Act pursuant to 19 C.F.R. §133.21(c)(2).

**B. THERE IS NO CONFLICT AMONG THE
CIRCUITS OR WITH OTHER DECISIONS
OF THIS COURT.**

YCA claims that the Ninth Circuit's decisions in this case and in *NEC Elecs. v. Cal Circuit Abco*, 810 F.2d 1506 (9th Cir. 1987) are inconsistent with this Court's decisions in *Morrill v. Jones*, 106 U.S. 466 (1883) and *A. Bourjois & Co. v. Katzel*, 260 U.S. 689 (1923) and with the D.C. Circuit's decision in *Lever Bros. Co. v. United States*, 877 F.2d 101 (D.C. Cir. 1989); the Second Circuit's decisions in *Original Appalachian Artworks, Inc. v. Granada Elecs., Inc.*, 816 F.2d 68 (2d Cir. 1987), *cert. denied*, 484 U.S. 847 (1987) and *Olympus Corp. v. United States*, 792 F.2d 315 (2d Cir. 1986); and the Federal Circuit's decision in *Vivitar Corp. v. United States*, 761 F.2d 1552 (Fed. Cir. 1985), *cert. denied*, 474 U.S. 1055 (1986). Petitioners are wrong.

Petitioners first suggest that the Ninth Circuit's decision in this case is in conflict with *Morrill*. However, *Morrill* addressed only the scope of rule making authority of a governmental agency. The rule making authority of a governmental agency is not in issue in this case and hence *Morrill* is simply irrelevant and does not conflict with the Ninth Circuit's decision.

YCA's assertion of a conflict between the Ninth Circuit's decision in issue here and the *A. Bourjois* and *Vivitar* cases is misleading since whatever conflict might have been presented by those cases was already fully resolved by this Court in *K-Mart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988).

Further, *A. Bourjois* has been consistently limited to the case where the foreign manufacturer and the U.S.

trademark owner were unrelated, independent corporations.¹⁰ Here, YCA, the U.S. trademark owner, is the wholly owned subsidiary of Yamaha-Japan, the manufacture of the genuine goods imported by both ABC and YCA. Accordingly, *A. Bourjois* is simply inapplicable.

Petitioners' conflict argument regarding *Vivitar* arises entirely from the dicta in the *Vivitar* opinion that the Tariff Act precludes importation of even genuine goods regardless of the fact that the manufacturer and the distributor are parent and subsidiary. However, this position was rejected by this Court in *K-Mart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988) which concluded that deference would be given U.S. Customs' interpretation that §526 of the Tariff Act does not prohibit independent importation of genuine goods when the manufacturer and the U.S. distributor are under common ownership or control.

Lever and *Original Appalachian* are in complete agreement with the Ninth Circuit's decisions in this case and in *NEC*. Indeed, in all four cases, the courts explicitly concluded that there is no trademark infringement under either the Trademark Act or the Tariff Act where, as here, the U.S. distributor is the wholly owned subsidiary of a foreign manufacturer and the goods imported by both the subsidiary and the independent importer are genuine goods made by the same foreign manufacturer.

¹⁰ See, e.g., *Weil Ceramics and Glass, Inc. v. Dash*, 878 F.2d 659 (3d Cir. 1989) *cert denied*, 493 U.S. 853 (1989); *NEC Elecs. v. Cal Circuit Abco*, 810 F.2d 1506 (9th Cir. 1987), *cert. denied*, 484 U.S. 851 (1987); *Olympus Corp. v. United States*, 792 F.2d 315 (2d Cir. 1986).

The results in *Lever* and *Original Appalachian* were different only because the facts were different not because the legal principles applied and followed were in conflict. In both *Lever* and *Original Appalachian*, the independently imported goods were materially different, the packaging was different and the independently imported product and U.S. product were made by *different* manufacturers. The courts in those cases had little difficulty in concluding that the independently imported goods were not genuine but rather "copied and simulated" the genuine goods¹¹ and therefore were being distributed in the United States in violation of the Trademark and Tariff Act notwithstanding that both the domestic manufacturer and the foreign manufacturer were under common ownership or control.

Here, the District Court found the goods imported by ABC were genuine goods not materially different from the goods imported by YCA and that the goods imported by both YCA and ABC were made by the *same* foreign manufacturer.

The last argument petitioners urge in connection with its petition is that the Ninth Circuit decision in this case purportedly precludes a trademark owner from ever pursuing private remedies under the Tariff Act. Relying on this incorrect characterization, petitioners attempt to create a conflict with *Olympus* and *Vivitar* which each held that the Tariff Act provided a private cause of action. Petitioners misapprehend the scope of the Ninth Circuit's decision. The Ninth Circuit was not presented with nor did it address the broad issue of whether

¹¹ Goods that "copy or simulate" are not "genuine." Stated differently, "genuine" goods do not "copy or simulate" and hence cannot violate §32 or §42 of the Trademark Act.

private actions can be brought under the Tariff Act. The Ninth Circuit's decision was only that federal trademark law, through its expressed provisions, provides no protection for a wholly owned subsidiary of a foreign manufacturer against a rival company that imports goods made by the foreign parent company. Under such circumstances, the independently imported goods are genuine, do not constitute a false designation of origin and do not copy or simulate. Accordingly, the Ninth Circuit decision is in full agreement with the court in *Olympus* which found that "[t]he plain language of the statute does not bar importation if the goods are genuine, only if they 'copy or simulate' a trademark." *Olympus*, 792 F.2d at 321.

Accordingly, there simply is no conflict between the Circuit's or this Court's prior decisions which require resolution by this Court. The petition for Writ of Certiorari on the ground of conflict between the Circuits should therefore be denied.

IV. CONCLUSION

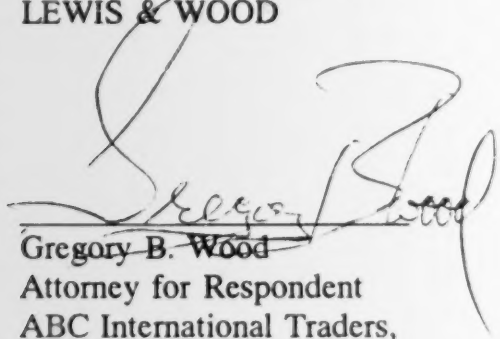
For the foregoing reasons, ABC submits that there are neither special nor important reasons for a review of the decision of the Ninth Circuit. The Ninth Circuit decision is virtually identical to *NEC*, as to which this Court already denied certiorari. Further, since Yamaha-Japan is not a party and YEC and YCA are both domestic corporations, this is not a proper case for evaluating the interplay of the Friendship Treaty, the Paris Act and the Tariff Act. Accordingly, the Writ of

Certiorari should be denied and the decision of the Ninth Circuit allowed to stand as a final decision in this action.

Respectively Submitted,

DATED: January 22, 1992

REHWALD RAMESON
LEWIS & WOOD

A large, stylized handwritten signature in black ink, appearing to read "Gregory B. Wood", is written over a horizontal line.

Gregory B. Wood
Attorney for Respondent
ABC International Traders,
Inc.

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